



United States Department of Agriculture  
Food and Nutrition Service

Western Region

Reply to  
Attn of:

**EMAIL ONLY**

June 29, 2004

WSN-1:WC 4 (GEN)  
**SFPD 04-02/WRO Policy Memo 803-AZ**

**INFORMATION-X  
POLICY-X  
ACTION**

Subject:

All States Memorandum 04-46

To:

Treatment of Medicare Prescription Drug Card and Related Transitional Assistance in  
WIC Income Eligibility Determinations

All Western Region State WIC Directors

Authorized by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA), the prescription drug discount card provides Medicare beneficiaries with negotiated prices that should be lower than the regular price of prescription drugs. Additionally, from June to December 2004, Medicare is providing through the drug discount cards a \$600 subsidy ("transitional assistance") to Medicare beneficiaries whose incomes are not more than 135 percent of the poverty line and who do not have certain other drug coverage. An additional subsidy of up to \$600 will be provided in calendar year 2005.

Section 1860D-31(g)(6) of the Social Security Act, as amended by the MMA, states that the availability of negotiated prices or transitional assistance received through the prescription drug card "shall not be treated as benefits or otherwise taken into account in determining an individual's eligibility for, or the amount of benefits under, any other Federal program." Therefore, in accordance with the MMA and regulations issued by the Center for Medicare and Medicaid Services, any subsidy that a household receives through the prescription drug discount card program must not be treated as income in determining income eligibility for the WIC Program.

Please contact Tamara Gardner, or Lissa Ong, of our office at (415) 705-1313 if you have any questions regarding the above information.

Sincerely,

*Original Signed by Ronald Rizzo*

CORDELIA FOX  
Regional Director  
Supplemental Nutrition Programs  
Western Region